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ABSTRACT

Supporting performance objective 35 of the V-TECS (Vocational-Technical Education Consortium of States) Secretarial Catalog, both a set of student materials and an instructor's manual on preparing federal and state tax deposits are included in this packet, which is one of a series. The student materials include information concerning income tax withholdings, the employer's FICA tax liability, and unemployment liability and the appropriate forms for preparing both a state and federal tax deposit. The instructor's manual includes teaching instructions and answer keys. (BM)

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ED155457

PREPARATION OF FEDERAL AND STATE TAX DEPOSITS

STUDENT'S MANUAL

Prepared by

Mrs. Peggy C. McElveen

These materials support
Performance Objective 35 of the
V-TECS Secretarial Catalog

State Department of Education
Office of Vocational Education
Office Occupations Education
Columbia, South Carolina 29201

In Cooperation With

Vocational Education Media Center
Clemson University
Clemson, South Carolina 29631

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OE 010 968

STUDENT MATERIALS

PREPARATION OF FEDERAL AND STATE TAX DEPOSITS

INTRODUCTION

Once you go to work, you will receive a paycheck for the work you have performed. You will notice that money has been deducted by your employer for federal income tax and state income tax. The firm you work for is required by law to deduct these amounts from the pay of all their employees. Therefore, the company has money in its possession that belongs to either the federal or state government.

Each quarter of the year, your company is required to make a quarterly report of the funds they withheld from employees. Along with this report, the money withheld from employees' paychecks is sent to the government.

The government realizes that huge sums of money can accumulate over a three month period, and it is money that is needed to finance many activities. Therefore, if a firm withholds more than $200 a quarter, it has to make deposits periodically during the quarter. These deposits are made to a commercial bank that qualifies to act as a depository for federal taxes. There are numerous regulations regarding when these deposits should be made.

In this packet you are going to learn to complete deposit forms for both the state and federal government. This will enable you to assume the responsibility once you are employed.

PERFORMANCE OBJECTIVE

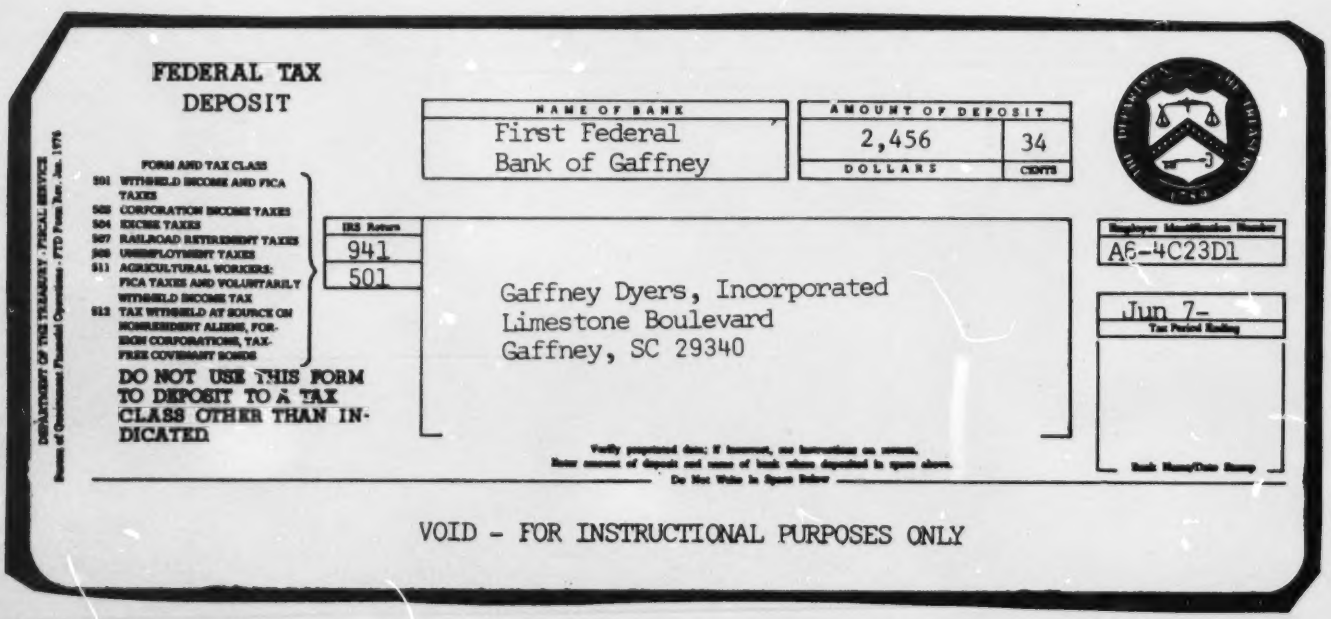
Given the amounts of income tax withheld, the employer's FICA tax liability and unemployment tax liability, plus the appropriate forms, prepare Federal and state tax deposits with 100% accuracy on numerical data and in compliance with the law.

Read the instructions necessary for preparing both a federal and state tax deposit.

INSTRUCTIONS

Pictured below is a copy of a federal tax deposit slip. This slip is completed and taken to a commercial bank that is a qualified depository for federal taxes along with a check for the amount of taxes that have been withheld and are required by law to be deposited.

These deposit forms are secured by request from the government. When they are sent to you, the employer's name, address, identification number, and tax period covered are pre-stamped on the form. The only information that has to be inserted is the name of the bank and the amount of the deposit. However, if any of the blanks were not filled in, it would be necessary for you to insert the correct information prior to making a deposit.



FEDERAL TAX DEPOSIT

DEPARTMENT OF THE TREASURY - FISCAL SERVICE
Bureau of Government Financial Operations - FTD Form Rev. Jan. 1976

FORM AND TAX CLASS
501 WITHHELD INCOME AND FICA TAXES
502 CORPORATION INCOME TAXES
504 EXCISE TAXES
507 RAILROAD RETIREMENT TAXES
508 UNEMPLOYMENT TAXES
511 AGRICULTURAL WORKERS: FICA TAXES AND VOLUNTARILY WITHHELD INCOME TAX
512 TAX WITHHELD AT SOURCE ON NONRESIDENT ALIENS, FOREIGN CORPORATIONS, TAX-FREE COVENANT BONDS

DO NOT USE THIS FORM TO DEPOSIT TO A TAX CLASS OTHER THAN INDICATED

NAME OF BANK: First Federal Bank of Gaffney

AMOUNT OF DEPOSIT: 2,456 DOLLARS 34 CENTS

IRS Return: 941 / 501

Gaffney Dyers, Incorporated
Limestone Boulevard
Gaffney, SC 29340

Employer Identification Number: A6-4C23D1

Tax Period Ending: Jun 7-

Verify preprinted data; if incorrect, see instructions on reverse.
Enter amount of deposit and name of bank where deposited in space above.
Do Not Write in Space Below

Bank Stamp/Date Stamp

VOID - FOR INSTRUCTIONAL PURPOSES ONLY

The following are rules that pertain to the depositing of money that has been withheld for income tax or FICA tax by an employer.

1. If at the end of a quarter the total undeposited taxes are less than $200, no deposit is required. The amount withheld is sent directly to the Internal Revenue Service with the quarterly return. However, if you prefer to make a deposit during the quarter, you may.

2. If at the end of a quarter the total undeposited taxes are $200 or more but less than $2,000 they must be deposited on or before the last day of the next month.

3. If at the end of any month (except the last month of a quarter), cumulative undeposited taxes for the quarter are $200 or more, but less than $2,000 they must be deposited within 15 days after the day of the next month.

4. If at the end of any quarter-monthly period (end on the 7th, 15th, 22nd, and last day of any month) cumulative deposited taxes for the quarter are $2,000 or more, they must be deposited within three banking days after the quarter-monthly period ends.

In the envelope at the top of the next page you will find three federal deposit forms (501). Using the following information complete them correctly.

May 10, 19--	First Federal Bank of Gaffney	Amount of Deposit $4,590.35
	This deposit is for Gaffney Dyers, Incorporated, Limestone Boulevard, Gaffney, SC 29340	
	Employer Identification Number A6-4C23D1	
	For quarter ending June 31, 19--	
May 18, 19--	Made another deposit for the same firm in the amount of $3,567.90.	
June 3, 19--	Made another deposit for the same firm in the amount of $2,665.78.	

BLANK FEDERAL DEPOSIT FORMS (501)

ATTENTION TEACHER

Paste a No. 6 envelope here with the flap up

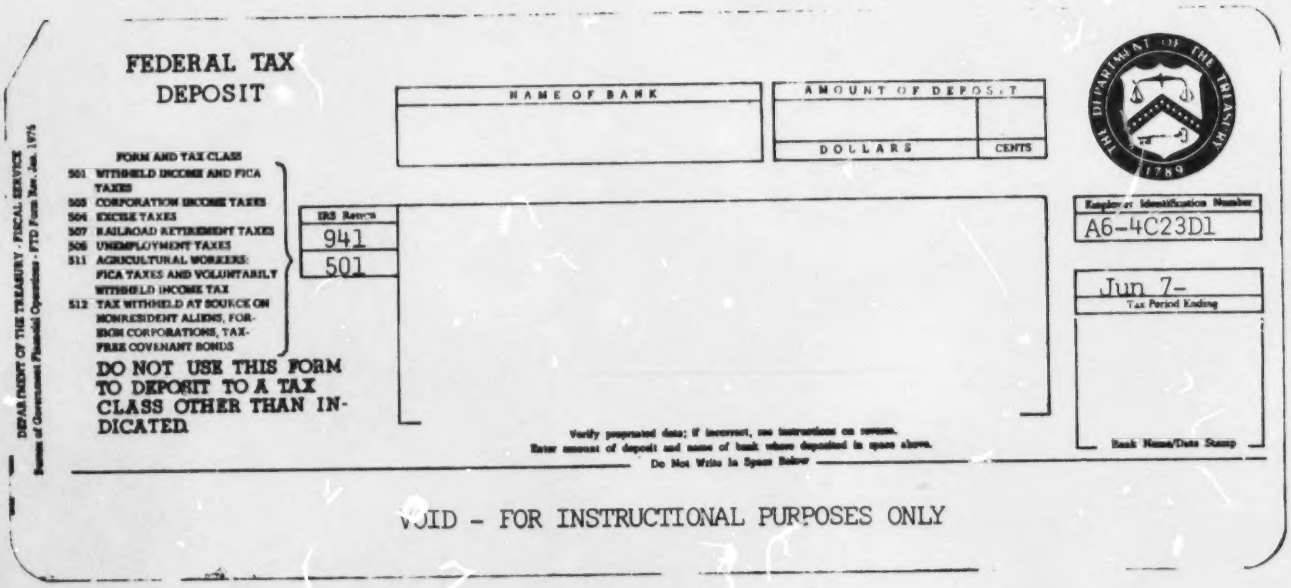
After you have completed the blank deposit forms for withheld taxes (501), check your work with the copies you find in the envelope below.

ATTENTION TEACHER

Paste a No. 6 envelope here with the flap up

BE SURE TO REPLACE KEYS WHEN YOU FINISH

Turn to the next page to learn how to prepare a deposit form for the state of South Carolina.



FEDERAL TAX DEPOSIT

NAME OF BANK

AMOUNT OF DEPOSIT — DOLLARS | CENTS

THE DEPARTMENT OF THE TREASURY 1789

DEPARTMENT OF THE TREASURY - FISCAL SERVICE
Bureau of Government Financial Operations - FTD Form Rev. Jan. 1976

FORM AND TAX CLASS
501 WITHHELD INCOME AND FICA TAXES
502 CORPORATION INCOME TAXES
504 EXCISE TAXES
507 RAILROAD RETIREMENT TAXES
508 UNEMPLOYMENT TAXES
511 AGRICULTURAL WORKERS: FICA TAXES AND VOLUNTARILY WITHHELD INCOME TAX
512 TAX WITHHELD AT SOURCE ON NONRESIDENT ALIENS, FOREIGN CORPORATIONS, TAX-FREE COVENANT BONDS

DO NOT USE THIS FORM TO DEPOSIT TO A TAX CLASS OTHER THAN INDICATED

IRS Return
941
501

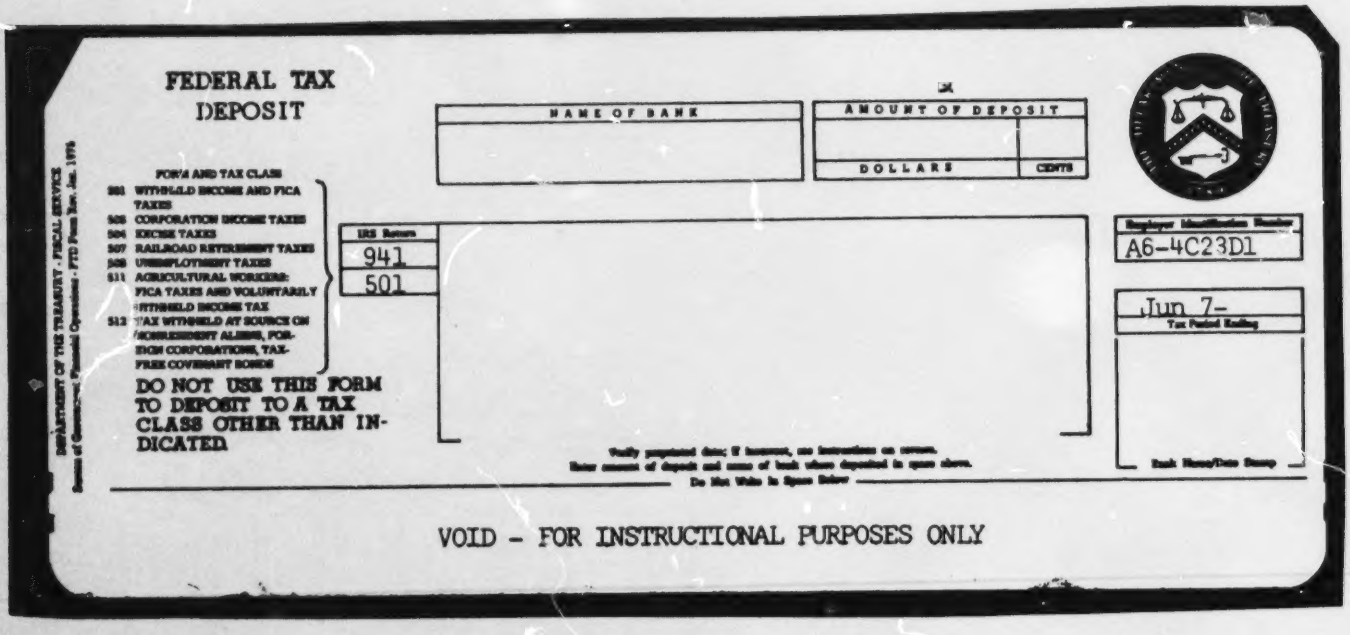
Employer Identification Number
A6-4C23D1

Jun 7-
Tax Period Ending

Bank Name/Date Stamp

Verify preprinted data; if incorrect, see instructions on reverse.
Enter amount of deposit and name of bank where deposited in space above.
Do Not Write In Space Below

VOID - FOR INSTRUCTIONAL PURPOSES ONLY



FEDERAL TAX DEPOSIT

NAME OF BANK

AMOUNT OF DEPOSIT — DOLLARS | CENTS

DEPARTMENT OF THE TREASURY - FISCAL SERVICE
Bureau of Government Financial Operations - FTD Form Rev. Jan. 1976

FORM AND TAX CLASS
501 WITHHELD INCOME AND FICA TAXES
502 CORPORATION INCOME TAXES
504 EXCISE TAXES
507 RAILROAD RETIREMENT TAXES
508 UNEMPLOYMENT TAXES
511 AGRICULTURAL WORKERS: FICA TAXES AND VOLUNTARILY WITHHELD INCOME TAX
512 TAX WITHHELD AT SOURCE ON NONRESIDENT ALIENS, FOREIGN CORPORATIONS, TAX-FREE COVENANT BONDS

DO NOT USE THIS FORM TO DEPOSIT TO A TAX CLASS OTHER THAN INDICATED

IRS Return
941
501

Employer Identification Number
A6-4C23D1

Jun 7-
Tax Period Ending

Bank Name/Date Stamp

Verify preprinted data; if incorrect, see instructions on reverse.
Enter amount of deposit and name of bank where deposited in space above.
Do Not Write In Space Below

VOID - FOR INSTRUCTIONAL PURPOSES ONLY

FEDERAL TAX DEPOSIT

Number 1 – Key

NAME OF BANK	AMOUNT OF DEPOSIT DOLLARS	CENTS
First Federal Bank of Gaffney	4,590	35

DEPARTMENT OF THE TREASURY - FISCAL SERVICE
Bureau of Government Financial Operations - FTD Form Rev. Jan. 1976

FORM AND TAX CLASS
501 WITHHELD INCOME AND FICA TAXES
505 CORPORATION INCOME TAXES
504 EXCISE TAXES
507 RAILROAD RETIREMENT TAXES
508 UNEMPLOYMENT TAXES
511 AGRICULTURAL WORKERS: FICA TAXES AND VOLUNTARILY WITHHELD INCOME TAX
512 TAX WITHHELD AT SOURCE ON NONRESIDENT ALIENS, FOREIGN CORPORATIONS, TAX-FREE COVENANT BONDS

DO NOT USE THIS FORM TO DEPOSIT TO A TAX CLASS OTHER THAN INDICATED

IRS Return: 941 / 501

Gaffney Dyers, Incorporated
Limestone Boulevard
Gaffney, SC 29340

Employer Identification Number: A6-4C23D1

Tax Period Ending: Jun 7-

Verify preprinted data; if incorrect, see instructions on reverse.
Enter amount of deposit and name of bank where deposited in space above.
Do Not Write In Space Below

Bank Name/Date Stamp

VOID - FOR INSTRUCTIONAL PURPOSES ONLY

FEDERAL TAX DEPOSIT

Number 2 – Key

NAME OF BANK	AMOUNT OF DEPOSIT DOLLARS	CENTS
First Federal Bank of Gaffney	3,507	90

DEPARTMENT OF THE TREASURY - FISCAL SERVICE
Bureau of Government Financial Operations - FTD Form Rev. Jan. 1976

FORM AND TAX CLASS
501 WITHHELD INCOME AND FICA TAXES
505 CORPORATION INCOME TAXES
504 EXCISE TAXES
507 RAILROAD RETIREMENT TAXES
508 UNEMPLOYMENT TAXES
511 AGRICULTURAL WORKERS: FICA TAXES AND VOLUNTARILY WITHHELD INCOME TAX
512 TAX WITHHELD AT SOURCE ON NONRESIDENT ALIENS, FOREIGN CORPORATIONS, TAX-FREE COVENANT BONDS

DO NOT USE THIS FORM TO DEPOSIT TO A TAX CLASS OTHER THAN INDICATED

IRS Return: 941 / 501

Gaffney Dyers, Incorporated
Limestone Boulevard
Gaffney, SC 29340

Employer Identification Number: A6-4C23D1

Tax Period Ending: Jun 7-

Verify preprinted data; if incorrect, see instructions on reverse.
Enter amount of deposit and name of bank where deposited in space above.
Do Not Write In Space Below

Bank Name/Date Stamp

VOID - FOR INSTRUCTIONAL PURPOSES ONLY

FEDERAL TAX DEPOSIT

Number 3 – Key

NAME OF BANK	AMOUNT OF DEPOSIT DOLLARS	CENTS
First Federal Bank of Gaffney	2,665	78

DEPARTMENT OF THE TREASURY - FISCAL SERVICE
Bureau of Government Financial Operations - FTD Form Rev. Jan. 1976

FORM AND TAX CLASS
501 WITHHELD INCOME AND FICA TAXES
505 CORPORATION INCOME TAXES
504 EXCISE TAXES
507 RAILROAD RETIREMENT TAXES
508 UNEMPLOYMENT TAXES
511 AGRICULTURAL WORKERS: FICA TAXES AND VOLUNTARILY WITHHELD INCOME TAX
512 TAX WITHHELD AT SOURCE ON NONRESIDENT ALIENS, FOREIGN CORPORATIONS, TAX-FREE COVENANT BONDS

DO NOT USE THIS FORM TO DEPOSIT TO A TAX CLASS OTHER THAN INDICATED

IRS Return: 941 / 501

Gaffney Dyers, Incorporated
Limestone Boulevard
Gaffney, SC 29340

Employer Identification Number: A6-4C23D1

Tax Period Ending: Jun 7-

Verify preprinted data; if incorrect, see instructions on reverse.
Enter amount of deposit and name of bank where deposited in space above.
Do Not Write In Space Below

Bank Name/Date Stamp

VOID - FOR INSTRUCTIONAL PURPOSES ONLY

PREPARATION OF SOUTH CAROLINA INCOME TAX DEPOSIT FORM

The state of South Carolina levies an income tax on its citizens. Employers are required by law to withhold this tax. Employers who withhold more than $250 for a period (one half month) are required to make a deposit to the South Carolina Tax Commission, Income Tax Division, P.O. Box 125, Columbia, SC 29214.

On the next page you will find a copy of the form that is to be completed and returned to the South Carolina Tax Commission with a check to cover the amount of income taxes that were withheld from employees' wages.

The month is divided into two periods (1st through 15th and 16th through the last day of the month). The due date for sending deposits is the 20th of the month for the first period and the 20th of the next month for the second period. Once a firm makes one monthly deposit, it must continue to make monthly deposits for the remainder of the quarter, even if they withhold less than $250 per period.

On the form the following information is to be entered:

1. The date the period ends and the amount withheld
2. The amount of the total deposit
3. The name and address of the firm
4. The South Carolina Employer number (This number is assigned by completing an application which can be secured from a local South Carolina Tax Office)
5. The Federal Employer Identification number
6. The signature of the authorized person within the firm that handles all tax matters

On the stub of the form, insert the same information that you put on the tax commission deposit form. This stub is for the company's files and serves as a receipt.

Examine the completed South Carolina Withholding Tax Deposit form below.

SOUTH CAROLINA TAX COMMISSION
INCOME TAX DIVISION
P. O. BOX 125
COLUMBIA, S.C. 29214

DO NOT WRITE IN THIS SPACE

1 PERIOD ENDED March 15, 19-- AMOUNT PAID $456.78

2 PERIOD ENDED _____ AMOUNT PAID _____

TOTAL AMOUNT PAID $456.78

MONTHLY PAYMENT OF WITHHOLDING

Gaffney Dyers, Incorporated
Limestone Boulevard
Gaffney, SC 29340

S.C. EMPLOYER NO. 87-91324

FED. E.I. NO. 57-0536837

John William Pitts
SIGNATURE

S.C. TAX COMMISSION

March 15, 19--
PERIOD ENDED

$456.78
AMOUNT PAID

2 _____
AMOUNT PAID

S.C. EMPLOYER NO. 87-91324

FED. E.I. NO. 57-0536837

YOUR FILE COPY

Remove the two blank deposit forms from the envelope at the top of the next page. Insert the following information in the correct spaces.

Firm Name: Palmetto Manufacturing Company
3333 Western Avenue
Spartanburg, SC 29301

Period of Deposit – March 16-31, 19-

Amount of Deposit – $657.45

South Carolina Identification Number – 45-897658

Federal Employer Identification Number – 45-6459873

You are authorized to sign the deposit forms.

Now that you have completed the first deposit slip, prepare another deposit for the same firm for the period June 1-15, 19- with a deposit of $678.90.

BLANK SOUTH CAROLINA TAX COMMISSION INCOME TAX DEPOSIT FORMS

ATTENTION TEACHER

Paste a No. 6 envelope here with the flap up.

After you have completed your forms, check your work with the keys in the envelope below.

ATTENTION TEACHER

Paste a No. 6 envelope here with the flap up.

BE SURE TO REPLACE KEYS

You should now understand how to prepare both federal and state withholding tax deposit forms. If you would like to know more about federal and state taxes, visit either an Internal Revenue Service office or a South Carolina Tax office to secure pamphlets and brochures.

VII K–7A

SOUTH CAROLINA TAX COMMISSION
INCOME TAX DIVISION
P. O. BOX 125
COLUMBIA, S.C. 29214

DO NOT WRITE IN THIS SPACE

1 PERIOD ENDED _____ AMOUNT PAID _____

2 PERIOD ENDED _____ AMOUNT PAID _____

TOTAL AMOUNT PAID

MONTHLY PAYMENT OF WITHHOLDING

S. C. EMPLOYER NO.

FED. E.I. No.

SIGNATURE

S.C. TAX COMMISSION

1 _____
PERIOD ENDED
_____
AMOUNT PAID

2 _____
AMOUNT PAID
_____

S. C. EMPLOYER NO.

FED. E. I. No.

YOUR FILE COPY

SOUTH CAROLINA TAX COMMISSION
INCOME TAX DIVISION
P. O. BOX 125
COLUMBIA, S.C. 29214

DO NOT WRITE IN THIS SPACE

1PERIOD ENDED _____ AMOUNT PAID _____

2 PERIOD ENDED _____ AMOUNT PAID _____

TOTAL AMOUNT PAID _____

MONTHLY PAYMENT OF WITHHOLDING

S.C. EMPLOYER NO.

FED. E.I. NO.

SIGNATURE

S.C. TAX COMMISSION

1 _____
PERIOD ENDED
_____
AMOUNT PAID

2 _____
AMOUNT PAID
_____

S.C. EMPLOYER NO.

FED. E.I. NO.

YOUR FILE COPY

VII K–7B

TEACHER'S KEY

SOUTH CAROLINA TAX COMMISSION
INCOME TAX DIVISION
P. O. BOX 125
COLUMBIA, S.C. 29214

Number 1– Key

DO NOT WRITE IN THIS SPACE

1 PERIOD ENDED _____ AMOUNT PAID _____

2 PERIOD ENDED March 31, 19-- AMOUNT PAID $657.45

TOTAL AMOUNT PAID

MONTHLY PAYMENT OF WITHHOLDING

Palmetto Manufacturing Company
3333 Western Avenue
Spartanburg, SC 29301

S.C. EMPLOYER NO.
45-397658
45-6459873
FED. E.I. No.

Student's Name
SIGNATURE

S.C. TAX COMMISSION

1 _____
PERIOD ENDED

_____
AMOUNT PAID

2 March 31, 19--
AMOUNT PAID

$657.45

S. C. EMPLOYER NO.
45-897658
45-6459873
FED. E.I. NO.

YOUR FILE COPY

SOUTH CAROLINA TAX COMMISSION
INCOME TAX DIVISION
P.O. BOX 125
COLUMBIA, S.C. 29214

Number 2– Key

DO NOT WRITE IN THIS SPACE

1 PERIOD ENDED June 15, 19-- AMOUNT PAID $678.90

2 PERIOD ENDED _____ AMOUNT PAID _____

TOTAL AMOUNT PAID $678.90

MONTHLY PAYMENT OF WITHHOLDING

Palmetto Manufacturing Company
3333 Western Avenue
Spartanburg, SC 29301

S.C. EMPLOYER NO.
45-897658
45-6459873
FED. E.I. NO.

Student's Name
SIGNATURE

S.C. TAX COMMISSION

1 June 15, 19--
PERIOD ENDED

$678.90
AMOUNT PAID

2 _____
AMOUNT PAID

S.C. EMPLOYER NO.
45-897658
45-6459873
FED. E.I. NO.

YOUR FILE COPY

PREPARATION OF FEDERAL AND STATE TAX DEPOSITS

INSTRUCTOR'S MANUAL

Prepared by

Mrs. Peggy C. McElveen

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Office of Vocational Education
Office Occupations Education
Columbia, South Carolina 29201

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Clemson University
Clemson, South Carolina 29631

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TEACHER INSTRUCTIONS

In this packet the student will prepare tax deposit forms for the federal government (501) and the South Carolina State government.

To prepare this packet for student use, paste four No. 6 envelopes in the designated areas. Also, duplicate three federal deposit forms (501) and two state deposit forms and insert them in the proper envelope before each student uses the packet. Forms are provided for duplication.

Keys are to be placed in each envelope below the one containing the blank forms, so each student can check his own work when the deposit forms are completed. Keys are provided for duplication.